

SALT Tax Giveaway Fact Sheet

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Raising the SALT cap is a massive giveaway to the rich. It will barely benefit most Americans.

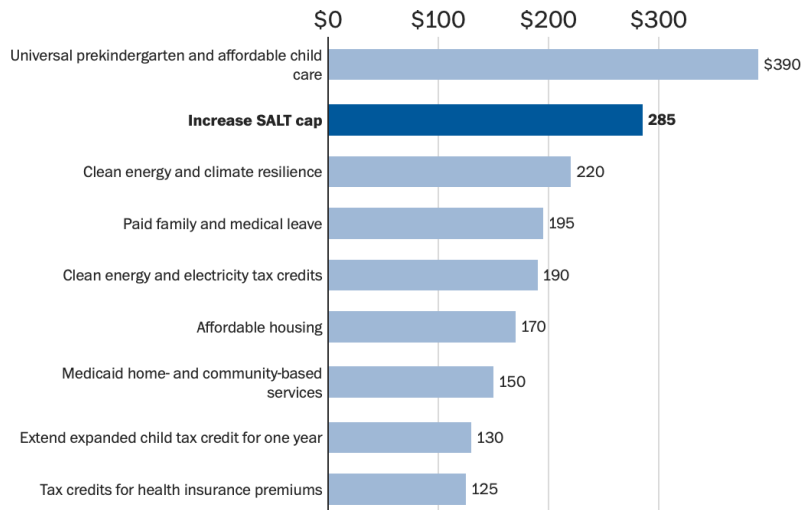
- Under current law, households can deduct up to \$10,000 that they pay in state and local taxes (SALT) from the amount of their income that is subject to federal taxes. Raising or eliminating this cap only benefits those households that both itemize and pay more than \$10,000 in state and local taxes.
- The latest version of the Build Back Better Act would raise the SALT deduction cap from \$10,000 to \$80,000 through 2030.
- “Raising the state and local tax deduction would primarily benefit the top 10 percent of income earners.” -*The Washington Post* ([11/16/2021](#))
- Tax Policy Center [analyses](#) of this proposal [found](#) that:
 - **Just 1.2% of the tax cuts** would go to the lowest 60% of earners: those making less than \$96,000/year. Their average tax cut: **less than \$20.**
 - 94% of the tax cuts would go to the top 20% of earners
 - **88% of millionaires would receive tax cuts averaging \$17,680**

SALT cap increase is the second-costliest provision of Build Back Better.

- The Committee for a Responsible Federal Budget found that this proposal would cost [\\$285 billion](#).
- “The second-biggest program in the Democrats' spending plan gives billions to the rich.” -*The Washington Post* ([11/16/2021](#))
- “It’s the second-most expensive item in the legislation over the next five years, **more costly than establishing a paid family and medical leave program, and nearly twice as expensive as funding home-medical services for the elderly and disabled,** according to an analysis by the Committee for a Responsible Federal Budget.” -*The Washington Post* ([11/16/2021](#))

State and local tax deduction (SALT) cap increase is second-costliest provision of budget bill over five years

Major provisions in the Build Back Better Act, in billions



Source: *The Washington Post* ([11/16/2021](#))

The SALT cap increase gets a sweetheart deal—retroactive application—that doesn’t apply to other programs in the bill

- “The mega-wealthy are in for a treat if President Biden's \$1.75 trillion social and climate spending bill is passed by Congress. Democrats want to raise the cap of the state and local tax (SALT) deduction from \$10,000 to \$80,000... **It would be retroactive for 2021.**” -*Daily Mail*, [11/11/2021](#)
- “The prescription drug deal is limited. **Starting in 2023**, negotiations could begin on what Senator Ron Wyden of Oregon called the most expensive drugs.” -*New York Times*, [11/2/2021](#)

Since coming to office in 2019, Congressman Golden has consistently opposed raising the SALT cap.

- “Removing the SALT deduction cap is just another example of Washington making policies that benefit the powerful in New York and California, but not doing anything for working folks in Maine. This is why people think Congress doesn’t work for them and why I voted against it.” -**Congressman Golden**, [12/20/2019](#)
- “I am writing today to urge you to resist calls to insert an increased State and Local Tax (SALT) deduction into the reconciliation bill. An increase in this tax break would disproportionately benefit the wealthy, and severely weaken our capacity to pay for programs that support the working and middle class.” -**Congressman Golden**, [10/19/2021](#)

- “Also under discussion, though not yet included in the draft legislation in Congress, is an effort to roll back an existing limitation on the State and Local Tax (SALT) deduction, effectively giving a big tax break to individuals in higher-tax, higher-income states like New Jersey and California. This is bad policy and would disproportionately benefit the wealthy.” -**Congressman Golden, [10/22/2021](#)**
- “Unfortunately, Congress is poised to make one of the worst possible additions to this bill: eliminating the \$10,000 cap on the state and local tax (SALT) deduction. Ending the SALT cap would be a senseless waste of hundreds of billions of dollars on rich people, with 98 percent of the benefit going to those in the top 20 percent of the income distribution.” -**Congressman Golden, [11/3/2021](#)**
- “The more we learn about the SALT provisions, the more it looks like another giant tax break for millionaires.” -**Congressman Golden, [11/17/2021](#)**

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